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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001161

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [TW](#) [CH](#)

SUBJECT: DETENTION OF FORMER PRESIDENT CHEN EXTENDED AGAIN
BY NEW JUDGES

REF: A. TAIPEI 1109

[B](#). TAIPEI 571

[C](#). TAIPEI 1153

Classified By: AIT Acting Deputy Director Dave Rank for reasons 1.4 (b/
d)

[1](#)1. (C) Summary. The Taiwan High Court judges who will hear former President Chen Shui-bian's appeal of his guilty verdict and life sentence for corruption decided on September 24 to extend his detention for three months. Although opposition Democratic Progressive Party (DPP) leaders have criticized the decision to keep the party's former standard bearer behind bars, their willingness to bat for Chen may be limited as they gear up for critical local elections in December. The number of Chen supporters appeared to be declining amid shocking revelations of graft at his trial and a lawsuit he brought against President Obama that one former aide described as "the work of a madman." End Summary.

New Judges Pave Way for Second Trial...

[1](#)2. (U) The Taiwan High Court on September 24 selected by random drawing a three-member panel of judges to preside over the second-round corruption trial of Chen Shui-bian, who along with his wife was found guilty and sentenced to life in prison by a lower court on September 11. (Ref A) The new team included Presiding Judge Teng Chen-chiu and judges Peng Chin-peng and Pan Tsui-hsueh. Teng and Pan have spent many years on the appellate bench, while Peng joined the High Court on September 3.

... And Decide to Keep Chen in Detention

[1](#)3. (U) Hours after being selected, the judges heard arguments from prosecutors, Chen, and his court-appointed defense lawyers regarding the former president's detention, which was set to expire September 25. Citing multiple reasons, the judges decided to extend the detention for three months. (Note: Except for a short break, Chen has been in jail since November 12, 2008. He can appeal the latest decision. End Note.) Although Teng was considered a more liberal judge who was not quick to place individuals in detention, legal experts said there was no precedent for releasing a defendant sentenced to life imprisonment. The judges also maintained Chen could pose a flight risk, and

they expressed concern about the large sum of money Chen's family still had overseas. They will now familiarize themselves with the details of the cases and set a date to hear the appeal, which may not start for months.

New Indictments in the Mix

¶4. (SBU) Prosecutors meanwhile levied new charges against Chen on September 22, accusing him of misappropriating \$330,000 and embezzling \$500,000 from a public fund used for secret diplomacy. In the latter case, Chen was indicted along with his former National Security Council Secretary General Chiou I-jen and former Deputy Foreign Minister Michael Kau. Chen allegedly pocketed petty cash for diplomatic trips and gave it to his son to study in the United States. Chen has denied the charges. The new charges marked the second time prosecutors had issued new indictments since corruption investigations on Chen began (ref B). Our DPP contacts have surmised to PolOff that further charges could be in the offing.

Media Wonders If Chen's Nuts as He Plans to Sue Obama

¶5. (U) The same day prosecutors publicized the additional charges, Chen announced plans to sue U.S. President Obama and U.S. Defense Secretary Gates. Chen was initiating litigation in the United States, faulting Obama and Gates for failing to place Taiwan under military occupation. Chen noted that Chinese World War II leader Chiang Kai-shek commanded the

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occupation of Taiwan in 1945 under an order by General Douglas MacArthur, commander of the Allied Forces in the Pacific. Chen claimed that Chiang ruled Taiwan on behalf of the United States, which he said should have established a military government on the island, and that Taiwan's status remained unresolved.

¶6. (C) There appeared to be consensus among many Taiwan political commentators that Chen's plan to sue President Obama raised questions about his mental stability. The opposition Democratic Progressive Party (DPP) issued a statement expressing disagreement with Chen's views on Taiwan's status and reiterating the party's view that Taiwan was an independent sovereign state, whose future could only be determined by its people. In his popular daily newspaper column, Chen's former National Security Council Deputy Secretary-General Antonio Chiang called the remarks crazy.

Legal Experts Disagree on Merit of Extended Detention

¶7. (C) Reaction to the decision to extend Chen's detention, however, was mixed. Kuomintang Legislator Lu Hsueh-chang agreed with the judges and noted there was no precedent for releasing a defendant found guilty on corruption charges and sentenced to life imprisonment. Other legal experts, however, disagreed. Former Taipei District Court Judge Wu Meng-liang said the reasons for detention were unreasonable and disappointing, while Judicial Reform President Lin Feng-cheng disagreed with the general practice of detaining defendants appealing felony convictions. This latest extension could fuel ongoing debate on Taiwan's detention and judicial systems (ref C).

Comment: DPP in a Quandry Over Chen

¶8. (C) Meanwhile, Chen's remarks and extended detention could further harden the lines of division within the DPP. Opposition Legislator Lai Ching-te suggested to PolOff that the DPP had become essentially two parties: one that supported Chen and one that did not. Independent pollster Dai Li-an opined to PolOff that support for Chen within the

DPP was shrinking but noted Chen's supporters remained very vocal. Dai's polls indicated that 62 percent of respondents distrusted Chen and 47 percent believed the DPP, hit by the Chen scandals, had not demonstrated enough determination to reform and commit to clean, uncorrupt politics.

19. (C) The pressure on DPP Chair Tsai Ing-wen to keep the party from further fracturing over the Chen trial is unlikely to subside. Immediately after Chen was convicted of corruption on September 11 and again after his detention was extended on September 24, many within the party, including some legislators, called for street protests. Others, however, feared such action would further damage the DPP's credibility. Our DPP contacts in Hualien County told us Tsai nixed plans of local supporters to travel to Taipei to stage a pro-Chen protest on September 19. Tsai will likely continue to stave off pressure to stage street protests in favor of focusing on crucial upcoming local elections on December 5. Some of the races for county magistrates, who are important political figures in Taiwan, are expected to be close, which means the DPP can not afford to lose the vote of Chen supporters, even if their numbers are dwindling.

STANTON